ECON 4410-N01: Money and Banking
Summer 2015

Instructor Information

Professor: Hilde Patron-Boenheim, Ph.D.
Office: Miller Hall, Room 1303
Office phone number: 678-839-5036
Email: hpatron@westga.edu

Want to know more about me and my interests? Check out my vitae:
http://www.westga.edu/~econ/faculty_patron_vita.pdf

Office Hours

Online office hours: Monday through Thursday 9AM-12PM. Email me first at hpatron@westga.edu. If needed we can chat on D2L.

If you need to see me in person, send me an email to let me know. I plan to be on campus once a week and we can coordinate to be on campus on the same day.

You may email me anytime. I will reply as soon as possible but within 24 business hours. You can email me using the Mail Tool found on the CourseDen course toolbar or directly to hpatron@westga.edu. Please respond to my emails within 24 business hours.

Course Information

Meetings: This is an online course conducted on D2L. You may login by going to http://westga_view.usg.edu. We will meet in person only twice, on the first day of classes (May 4) and on the day of the midterm (Thursday, May 14). All other meetings will be online. On May 4, we will meet at 8:30AM in Miller Hall, room 1308. There will 10 online lessons. Lessons will be available starting at 12:01AM each morning (midnight). The first lesson will be available on Monday, May 4.

Course Description: In this course we study the five parts of the U.S. financial system: money, financial instruments, financial markets, financial institutions, and central banks. Throughout, we will emphasize five principles: time has value; risk requires compensation; information is the basis for all decisions; markets set prices and allocate resources; stability improves welfare.

Textbook: Cecchetti, Stephen and Schoenholtz, Kermit. Money, Banking, and Financial Markets, fourth edition. The third, second and the international editions are also acceptable (and much cheaper!)

Look for the book in the University’s Bookstore’s Website: http://www.bookstore.westga.edu
Prerequisites: (ECON 2105 Minimum Grade: D or ECN 207 Minimum Grade: D) and (ECON 2106 Minimum Grade: D or ECN 206 Minimum Grade: D). You also need to have access to a computer and you must have access to the internet.

Course Objectives and Learning Outcomes

At the end of this course you should:

(1) Be familiar with the definition, functions, and evolution of money, financial instruments, financial markets, financial intermediaries, and central banks (LG7).

(2) Understand the concepts of future value, present value and how they are applied to the pricing of financial instruments (LG7, LG8).

(3) Understand the concepts of risk, risk aversion, and their impact in the pricing of financial instruments (LG7, LG8, LG9).

(4) Understand the functioning of bond’s markets and the determination of interest rates and bonds prices (LG7, LG8).

(5) Understand the concepts of the term structure of interest rates and the yield curve, and how they can be used to make inferences about economics’ agents’ expectations of the economy (LG7, LG8, LG9)

(6) Understand the structure of the Federal Reserve Bank, the tools of monetary policy and the monetary policy making process (LG8, LG11).

A complete list of the Economics Department’s learning objectives can be found at: http://www.westga.edu/~econ/lg_assessments.htm.

Attendance Policy

You are required to login the course every business day. You are also required to participate in the classroom discussions. While no additional grade is attached to participation, failure to participate will result in a 5 point deduction per discussion missed on the final grade (note: two missed discussions equal a letter grade).

Grading

Your grade in the class will be based on 10 daily assignments, a midterm exam, and a final project.

Each daily assignment will be worth 7% of the grade (70% total). The daily assignments will include very short essays, surveys, and quizzes. IF YOU MISS AN ASSIGNMENT YOU WILL GET A ZERO ON THE ASSIGNMENT.

The midterm exam is worth 15%.

The final project will be worth 15% of the final grade. You will be given directions about the project on the day of the midterm exam.

Grades will be posted on D2L on the day after the assignment is due (at the latest). You may check your grades by clicking on the “Grades” link on the D2L course toolbar.

Grading Scale
Course Outline

| Day               | Meeting Time                                                | Topic                                                                 | Worth                    |
|-------------------|-------------------------------------------------------------|                                                                      |                         |
| Monday, May 4     | Optional orientation<br>Location: RCOB 1308. Time: 8:30-9:00AM. | Orientation to the course & Chapter 1: An Introduction to Money and the Financial System; Chapter 2: Money and the Payments System & Chapter 3: Financial Instruments, Financial Markets, and Financial Institutions | No positive value. Penalty if discussion is missed. |
| Tuesday, May 5    | Online/ includes "daily" assignment                          | Chapter 2: Money and the Payments System & Chapter 3: Financial Instruments, Financial Markets, and Financial Institutions | 7%                      |
| Wednesday, May 6  | Online/ includes "daily" assignment                          | Chapter 4: Future Value, Present Value, and Interest Rates            | 7%                      |
| Thursday, May 7   | Online/ includes "daily" assignment                          | Chapter 5: Understanding Risk                                         | 7%                      |
| Friday, May 8     | Online/ includes "daily" assignment                          | Chapter 6: Bonds, Bonds Prices, and the Determination of Interest Rates | 7%                      |
| Monday, May 11    | Online/ includes "daily" assignments                         | Chapter 7: The Risk and Term Structure of Interest Rates              | 7%                      |
| Tuesday, May 12   | Online/ includes "daily" assignment                          | Chapter 11: The Economics of Financial Intermediation & Chapter 12: Depository Institutions: Banks and Bank Management | 7%                      |
| Wednesday, May 13 | Online/ includes "daily" assignment                          | Chapter 13: Financial Industry Structure & Chapter 14: Regulating the Financial System | 7%                      |

**Thursday, May 14**<br>**MIDTERM EXAM F2F**<br>**Chapters 1, 2, 3, 4, 5, 6, 7, 11, 12, 13, 14**<br>15%

| Day               | Meeting Time                                                | Topic                                                                 | Worth |
|-------------------|-------------------------------------------------------------|                                                                      |       |
| Thursday, May 14  | Online/ includes "daily" assignment                          | Chapter 15: Central Banks in the World Today & Chapter 16: The Structure of Central Banks | 7%    |
| Friday, May 15    | Online/ includes "daily" assignment                          | Chapter 17: The Central bank Balance Sheet and the Money Supply Process | 7%    |
| Monday May 18     | Online/ includes "daily" assignment                          | Chapter 18: Monetary Policy: Using Interest Rates to Stabilize the Domestic Economy | 7%    |
| Tuesday, May 19   | Reading day                                                 | No class                                                             |       |
| Wednesday, May 20 | FINAL PROJECT DUE                                           | Topic will be assigned during the midterm test. Project is due at midnight and must be submitted or posted electronically. NO F2F meeting. | 15%   |

Academic Integrity

Academic dishonesty as described by the Honor Code (which you can find at [http://www.westga.edu/handbook/index_59.php](http://www.westga.edu/handbook/index_59.php)) will not be tolerated. Any such actions will result in a score of zero on the associated assignment(s) and/or dismissal from the course with a grade of “F”.

Note: an 89.9% is a B!

No extra credit opportunities will be offered!
Affirmative Action

University of West Georgia adheres to affirmative action policies to promote diversity and equal opportunity for all faculty and students.

Americans with Disabilities Act

If you are a student who is disabled as defined under the Americans with Disabilities Act and requires assistance or support services, please seek assistance through the Center for Disability Services. A CDS Counselor will coordinate those services. See http://www.westga.edu/~dserve/

Equal Opportunity

No person shall, on the grounds of race, color, sex, religion, creed, national origin, age, or disability, be excluded from employment or participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity conducted by UWG.

Credit Hour Policy (3 credit hours)

For approximately fifteen weeks, students in this class will generally spend 150 minutes with direct online faculty instruction (including PowerPoint presentations, class notes, case studies, videos, applets, discussion boards, review sessions) and work about 360 minutes on additional assignments (without direct faculty instruction) each week. Additional assignments may include, but are not limited to, quizzes, projects, group work, research, and test preparation.

Need Help?

If you need help with CourseDen or if you have other technical problems you may go to any of the following sites:

http://www.westga.edu/~distance/

http://www/westga.edu/~library/

Disclaimer

The instructor reserves the right to change this syllabus at anytime during the semester. Any changes will be announced in writing.